

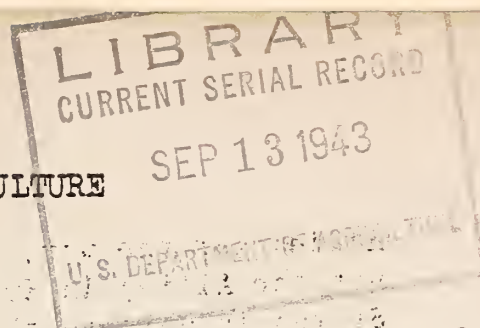
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FOOD INFORMATION SERIES
UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF INFORMATION
WASHINGTON 25, D. C.



September 6, 1943

No. 62

SUBJECT: Comparison of Wheat Situation in World Wars I and II.

FIELD DISTRIBUTION: War Board Members, Extension Editors, SCS Regional Information Chiefs, FDA Regional Marketing Reports Chiefs, BAE Regional Analysts, FSA Regional Information Chiefs, and FCA Information Agents.

SUGGESTED USE: Background Material

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WHEAT IN WORLD WARS I AND II

Twenty-five years ago we were in the midst of the series of offensives on the Western Front that were to bring World War I to a victorious conclusion on November 11, 1918. Today we have been in the present war about a month longer than our entire participation in World War I. We have been at grips with the enemy continually since the attack on Pearl Harbor on December 7, 1941, whereas in World War I about nine months elapsed between the declaration of war and establishment of the first American sector --- one division holding a one-brigade front -- in France. We had about 4.5 million men under arms in World War I; today we have around 10 million. Yet we are just beginning to feel the pinch, not of a general food shortage, but of shortages of some kinds of food which we are in the habit of eating as a matter of course, but which most of the world regards as luxuries.

In World War I, we felt the pinch of actual shortage of basic foods much earlier. Wheat is an example. We entered the War in April, 1917, and by October of that year people were being asked to observe wheatless Wednesdays. In March, 1918, the Food Administrator found it necessary to request that no wheat or wheat products be served in any first-class hotel or restaurant until after the harvest.

The carry-over of wheat on July 1, 1918, was only 22 million bushels, according to the 1918 annual report of the United States Food Administration, and William Clinton Mullendore, in his "History of the United States Food Administration," says that the total carry-over of all bread grains on that date was only 43.8 million bushels. The Bureau of Agricultural Economics, puts the 1918 wheat carry-over, including wheat in all positions, at 40 million bushels. By either computation, the 1918 wheat carry-over contrasts sharply with the carry-over on July 1, 1943, which was 618 million bushels.

Under date of January 24, 1918, Lord Rhondda, British Food Controller, sent the following cable message to the U. S. Food Administrator:

"Unless you are able to send the Allies at least 75,000,000 bushels of wheat over and above what you have exported up to January 1st, and in addition to the total exportable surplus from Canada, I cannot take the responsibility of assuring our people that there will be food enough to win the war. Imperative necessity compels me to cable you in this blunt way. No one knows better than I that the American people, regardless of national and individual sacrifice, have so far refused nothing that is

needed for the war, but it now lies with America to decide whether or not the Allies in Europe shall have bread to hold out until the United States is able to throw its forces into the field. I have not minced words because I am confident that the American people, if they know the truth, will not hesitate to meet the emergency."

On January 1, 1918, says the 1918 annual report of the Food Administration, there were in the United States 313 million bushels of wheat and flour in terms of wheat. "The amount required for seeding in the spring," says the report, "was at least 31 million bushels, and the normal consumption about 42 million bushels per month, or 252 million bushels from January 1 to July 1. The balance, 30 million bushels, was less than the safe minimum carry-over . . . On the face of the figures there was no exportable surplus. Yet it was vital to the life of the allied nations that at least 75 million bushels be shipped abroad during this period, and that this be saved out of the consumption in the United States."

In order to meet the need -- and it was met -- the people were asked to observe two wheatless days a week, and, in addition, to have one wheatless meal each day, the meal to be prescribed by the State Federal Food Administrator. Sale of wheat flour to consumers was restricted to 25 pounds at a time for city people and 50 pounds at a time for people in rural communities. About the first of February, 1918, regulations were issued forbidding the sale of wheat flour to an individual consumer without an equal amount of wheat flour substitutes. The substitute list included all substitute flours, corn meal, corn grits, oatmeal, and rice.

No special effort was made during World War I for conserving grains other than wheat, so far as human consumption is concerned. However, the 1918 Food Administration report says that "the transportation difficulties in the winter of 1917-18, the low quality of the 1917 corn crop, and the sudden demand for substitute cereals created by the wheat conservation program, all contributed to create temporary and local shortages and general high prices of substitutes in the spring of 1918, and these conditions were only gradually relieved and re-adjusted."

Congress prohibited distilling liquors after September 10, 1917, thereby effecting a saving which the Food Administration estimated at 40 million bushels of corn, barley, and rye during the year 1918. In December, 1917, the Food Administration caused to be issued a regulation prohibiting the use of grain in the distillation of alcohol any purpose, unless such grain was below the quality required by Federal grade No. 6, a quality unfit even for animal consumption.

Use of grain for production of distilled liquors has likewise been prohibited during the present war, and the quantity that can be used for production of malt beverages has been sharply curtailed. There the resemblance of the 1917-18 situation ends.

Thus far in the present war, we have used vast quantities of wheat for making industrial alcohol -- for which we could afford to use only grain of the poorest quality during World War I. We used more wheat for alcohol last year than the entire carry-over on July 1, 1918, and during the 12 months ending June 30, 1944, we plan to step up our use for this purpose to around 125 million

bushels. The bulk of the resulting alcohol goes to explosives and synthetic rubber.

Feed is another purpose for which we are using large quantities of wheat during the present war. During World War I, no wheat was available for sale as livestock feed. This time, because we started with ample reserves and because the demand of our allies has been primarily for non-cereal foods, the Commodity Credit Corporation has been able to sell 275 million bushels of Government-owned wheat for feed during 1942-43. The total quantity of wheat fed to livestock during the past year, including wheat fed on the farms where it was grown, is estimated at 310 million bushels, according to the August, 1943, issue of The Wheat Situation. An estimated 425 million bushels will be used for feed during the 1943-44 marketing year. These figures contrast with 31.2 million bushels from the 1917 crop and 36.8 million bushels from the 1918 crop which was fed to livestock on the farms where grown, according to Agricultural Statistics, 1942.

The contrast between the wheat situation that the United States confronted in 1918 and that in which it finds itself today is striking. The July 1, 1943, carry-over, as already stated, was 618 million bushels. Indicated production, according to the August crop report, is 835 million bushels, which will give us a total supply during the current fiscal year of 1,453 million bushels. If, as appears likely, total disappearance runs around 1.2 billion bushels, this would leave us with a carry-over on July 1, 1944, of about 250 million bushels.

If the 1944 goal of 68 million acres is reached, and if the yield is about 12.5 bushels per planted acre, the 1944 harvest will produce approximately 850 million bushels. Under these circumstances, our total 1944 supply would be 1,100 million bushels. The yield of 12.5 bushels per acre is used as normal in a BAE report, "An Analysis of Crop Yields in Relation to Production Goals for Agriculture," prepared in 1942. Actually, yields have been somewhat higher than normal in recent years, owing partly to increased use of summer fallow in the Central and Pacific Northwestern areas, and to increased use of fertilizer on wheat in the Eastern areas. The fertilizer situation promises to be somewhat better in 1944 than it has been in 1943.

The 1918 report of the Food Administration broke down the wheat situation prevailing at that time in the following table:

Crop estimated by Department of Agriculture.....	917,000,000 bu.
Carry-over from 1917 crop	22,000,000 bu.
Or a total of	<u>939,000,000 bu.</u>

Consumption for U. S., estimating

15 percent below normal	477,000,000
For seed	105,000,000
Normal carry-over into 1919	60,000,000
Exports to Dec. 31 (estimated)	<u>140,000,000</u>
Or a total of	<u>782,000,000 bu.</u>
Leaving a surplus for export during balance of crop year.....	157,000,000 bu.

A similar table outlining the wheat situation at the present time would be as follows:

1943 Crop estimated by BAE (August crop report).....	835,000,000 bu.
Carry-over from 1942 crop	<u>618,000,000 bu.</u>
Or a total of	1,453,000,000 bu.

1943-44 Disappearance:

Consumption as food	537,000,000
For seed	80,000,000
For alcohol	125,000,000
For feed	427,000,000
Exports including some war relief ..	<u>34,000,000</u>
Or a total of	<u>1,203,000,000 bu.</u>
Leaving a carry-over into 1944 of	250,000,000 bu.

The indicated carry-over would be adequate to provide working stocks of 125 million bushels -- 75 million bushels as a reserve against small yields, and 50 million bushels as our commitment for post-war relief under the International Wheat Agreement. The amount indicated above for livestock feed and alcohol is far in excess of any previous amount ever used for such purposes. Any decrease in the estimated amount for livestock feed and alcohol would increase the carry-over by a like amount.

The July issue of The Wheat Situation (BAE) estimates wheat stocks in the four major exporting countries -- Canada, the United States, Argentina and Australia -- on July 1, 1943, at 1,750 million bushels, which is 280 million bushels above the record reached a year ago and over 2-1/2 times the 1932-41 average of 651 million bushels. It is large enough to take care of normal total world trade for three years. Present stocks include an ample reserve for post-war needs, even though domestic consumption in the exporting countries continues above average.